

# Budget Brief – Utah State Office of Education

STATE BOARD OF EDUCATION

PED BB-9A

## SUMMARY

The State Office of Education (USOE) functions as support staff to the State Board of Education and the State Superintendent of Public Instruction. The USOE provides information and direction relating to the policies, procedures, and programs of Utah's public education system. This brief provides budget detail for the State Board of Education, and the USOE operating divisions. Further information on the USOE and its operating divisions may be found in chapter 5 of the Compendium of Budget Information (COBI).

## ISSUES AND RECOMMENDATIONS

The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees. The budget detail table on page 4 does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC have recommended that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

### Issue Briefs

Several Issue Briefs provide the subcommittee with additional information on FY 2006 supplemental or FY 2007 USOE budget issues. Please refer to these Issue Briefs for additional information on the following topics:

- **USOE 1** – ‘Educator Licensing Fees’ provides the FY 2007 licensing fee schedule and other fee related issues and recommendations.
- **USOE 2** – ‘Staffing Statewide Programs and Functions’ details specific budget areas identified by the State Board of Education where new or increased staffing needs are requested.
- **USOE 3** – ‘U-PASS Assessment Costs’ provides information on U-PASS costs once covered by surplus No Child Left Behind revenue, these funds will run out in FY 2007.
- **PED 1** – ‘Federal Funds’ provides information on all federal funds received by education agencies.

Figure 1: State Board of Education - State Office of Education - Budget History

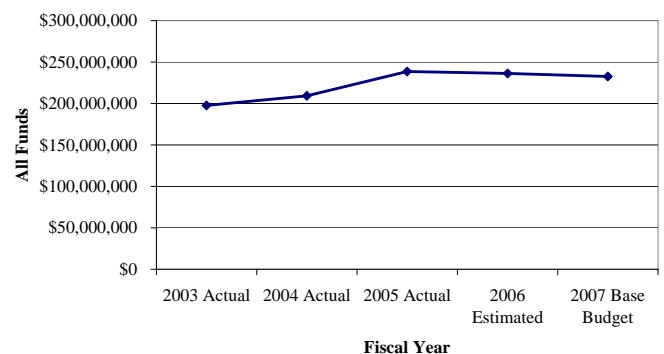


Figure 2: State Board of Education - State Office of Education - FTE History

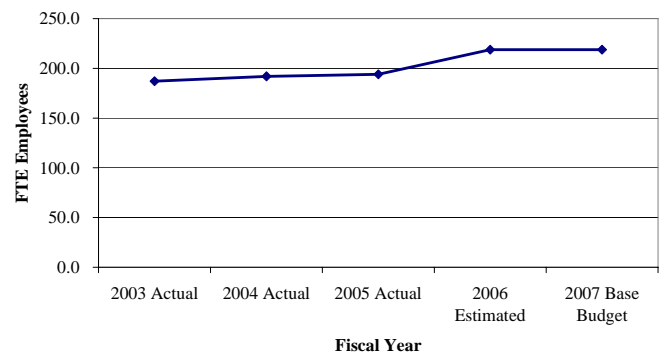
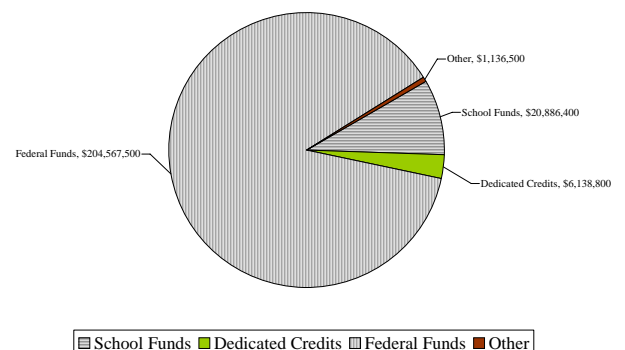


Figure 3: State Board of Education - State Office of Education - FY 2007 Funding Mix



**ACCOUNTABILITY DETAIL**

The strategic plan for the Utah State Office of Education states that the mission of USOE “is to facilitate high levels of student achievement and teacher quality and to assist schools in their drive toward excellence, through statewide services, leadership, and accountability.” With the continued focus on student achievement, and programs such as No Child Left Behind and U-PASS, the USOE continues to evaluate performance measures and how they correlate to the mission of the agency.

The following table provides information on some of the accountability measures submitted by the USOE.

<b>Accountability Detail - USOE</b>			
<b>Goal</b>	<b>Measure</b>	<b>FY 2005 Observed</b>	<b>FY 2006 Target</b>
<b>Quality Teachers in Every Classroom</b> The Utah State Board of Education has convened a study, with expectations of, increasing professional development, restructuring rewards, recognition, and dismissal systems.	Number of educators participating in USOE professional development activities	13,555	15,000
<b>Writing Initiative: All Teacher are Teachers of Writing</b> Common scoring guides in all classrooms; Six Trait writing framework for all classrooms; More writing expected from all teachers; Implementing writing software that provides instant and ample feedback to student writing.	Number of Districts/Charter Schools implementing writing software		20
<b>Reading - Star</b> Increase student abilities in phonic awareness, phonics, fluency, comprehension, and vocabulary.	Number of Districts/Charter Schools implementing STAR	173	300
<b>Instructional Improvement Team</b> Improve Title 1 schools with low AYP by sorting out and improving deficiencies through observation and training.	Number of low scoring schools showing improvement		24
<b>Utah is moving from curriculum coverage to focused instruction</b> Instructional materials and programs will be selected for their track record of performance in raising student achievement (research-based) and core correlation	Number of Textbooks (plus related materials) reviewed by the Instructional Materials Committee	7,336	8,000
<b>Educational Environment</b> Assure that students are provided with environments that foster learning and achievement	Number of schools reviewed and awarded accreditation.		
	a. Northwest Association of Accredited Schools - Public/Private	260	275
	b. Public Middle Level Accredited by USOE	88	93

Source: Utah State Office of Education, January 2006.

**BUDGET DETAIL**

The USOE acts as the fiscal agent for most federal support programs and grants received for public education. Federal revenue contributes approximately 88 percent of the total USOE budget. The Uniform School Fund provides over \$20.8 million to the support of USOE, or 9 percent of the total budget. The Budget Detail Table below provides detail on the remaining revenue sources for USOE, as well as the major expenditure categories and operating division budgets.

Although the total FY 2007 budget for USOE totals \$232,729,200, the actual operating budget of USOE is approximately \$32.5 million. Of the total revenue appropriated to the State Office of Education, approximately 86 percent is passed on to the local school districts and charter schools. The remaining 14 percent supports the operations, divisions, and programs of the Utah State Office of Education.

***FY 2007 Base Budget Issue***

During the 2005 General Session, the Legislature appropriated \$2,570,900 in one-time General Fund revenue to support the provisions of H.B. 249 “Carson Smith Special Needs Scholarships.” The USOE received \$2,470,900 to provide for the student scholarships and \$100,000 to support program administration.

The USOE used the \$100,000 in one-time administrative costs to hire an individual to oversee the distribution of program funds. The Issue Brief titled “Staffing Statewide Programs and Functions” includes a request from the State Board of Education for \$112,000 in ongoing General Fund revenue to support this position.

Scholarships awarded from the \$2,470,900 in General Fund revenue appropriated during the 2005 General Session have totaled approximately \$690,000. The State Office of Education requests that the Legislature appropriate an additional \$690,000 in one-time General Fund revenue to bring the available scholarship amount to the level appropriated during the 2005 General Session. Further, the USOE requests that they be granted non-lapsing authority for the remaining \$1,780,900 in General Fund revenue to provide scholarships in FY 2007.

*Recommendation:* Without further action, the remaining revenue appropriated in FY 2006 for the Carson Smith Special Needs Scholarships will lapse at the end of the fiscal year. The FY 2007 base budget, detailed below, does not include this revenue. The Legislature may wish to consider providing non-lapsing authority to the State Board of Education for General Fund revenue appropriated to support the Carson Smith Scholarship program.

**BUDGET DETAIL TABLE**

State Board of Education - State Office of Education						
Sources of Finance	FY 2005 Actual	FY 2006 Appropriated	Changes	FY 2006 Revised	Changes	FY 2007* Base Budget
General Fund	0	0	0	0	0	0
General Fund, One-time	1,400,000	2,585,900	0	2,585,900	(2,585,900)	0
Uniform School Fund	21,349,400	20,886,400	0	20,886,400	0	20,886,400
Uniform School Fund, One-time	68,900	716,000	0	716,000	(716,000)	0
Federal Funds	210,282,100	180,349,700	24,473,400	204,823,100	(255,600)	204,567,500
Dedicated Credits Revenue	5,711,900	5,497,200	0	5,497,200	641,600	6,138,800
Federal Mineral Lease	1,932,700	994,300	0	994,300	(195,800)	798,500
GFR - Substance Abuse Prevention	490,000	494,100	0	494,100	(494,100)	0
USFR - Interest and Dividends Account	0	80,000	0	80,000	0	80,000
USFR - Professional Practices	90,700	92,000	0	92,000	0	92,000
Transfers - Interagency	217,900	0	140,000	140,000	0	140,000
Transfers - State Office of Education	26,000	0	26,000	26,000	0	26,000
Beginning Nonlapsing	8,330,700	8,330,700	1,771,100	10,101,800	0	10,101,800
Closing Nonlapsing	(10,101,800)	(8,330,700)	(1,771,100)	(10,101,800)	0	(10,101,800)
Lapsing Balance	(1,114,000)	0	0	0	0	0
<b>Total</b>	<b>\$238,684,500</b>	<b>\$211,695,600</b>	<b>\$24,639,400</b>	<b>\$236,335,000</b>	<b>(\$3,605,800)</b>	<b>\$232,729,200</b>
<b>Programs</b>						
Board of Education	8,915,100	4,683,200	(2,492,300)	2,190,900	(16,000)	2,174,900
Student Achievement	139,530,900	146,523,000	(4,923,400)	141,599,600	(1,015,400)	140,584,200
Data and Business Services	4,993,200	4,672,100	415,000	5,087,100	(2,700)	5,084,400
Law, Legislation and Education Services	85,245,300	55,817,300	31,640,100	87,457,400	(2,571,700)	84,885,700
<b>Total</b>	<b>\$238,684,500</b>	<b>\$211,695,600</b>	<b>\$24,639,400</b>	<b>\$236,335,000</b>	<b>(\$3,605,800)</b>	<b>\$232,729,200</b>
<b>Categories of Expenditure</b>						
Personal Services	13,784,000	14,014,600	1,409,400	15,424,000	639,500	16,063,500
In-State Travel	276,200	241,600	24,100	265,700	0	265,700
Out of State Travel	228,600	174,400	48,800	223,200	0	223,200
Current Expense	13,996,800	13,021,200	3,389,900	16,411,100	(2,570,900)	13,840,200
DP Current Expense	1,886,300	1,141,800	741,700	1,883,500	0	1,883,500
DP Capital Outlay	261,900	15,100	246,800	261,900	0	261,900
Other Charges/Pass Thru	208,250,700	183,086,900	18,778,700	201,865,600	(1,674,400)	200,191,200
<b>Total</b>	<b>\$238,684,500</b>	<b>\$211,695,600</b>	<b>\$24,639,400</b>	<b>\$236,335,000</b>	<b>(\$3,605,800)</b>	<b>\$232,729,200</b>
<b>Other Data</b>						
Budgeted FTE	194.0	200.0	18.8	218.8	0.0	218.8
Vehicles	7	7	0	7	0	7

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**LEGISLATIVE ACTION**

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature consider:

1. Adopt the base budget amount of \$232,729,200 for the Utah State Office of Education detailed above.
2. Consider the budget issues raised in the Issue Briefs mentioned in this brief. The subcommittee may wish to include these items in its prioritized recommendations to the executive committee.
3. Provide non-lapsing authority to the State Office of Education for General Fund appropriations related to the Carson Smith Special Needs Scholarship Program.